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Letter dated 14 November 2003 from the Permanent Representative of South Africa to the United Nations addressed to the President of the Security Council

I should like to refer to the final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo of 23 October 2003 (see S/2003/1027).

The South African Government remains fully committed to the achievement of a peaceful resolution to the conflict in the Democratic Republic of the Congo, as well as in the Great Lakes Region as a whole. In this regard, the South African Government has consistently supported the valuable work of the Panel of Experts, which, inter alia, was aimed at exposing the linkage between the illegal exploitation of natural resources and the funding of armed groups that have fomented conflict in the Democratic Republic of the Congo.

In terms of the final report, the South African Government has noted that a number of South African entities have now been removed from the list of enterprises previously considered by the Panel to be in violation of the Organisation for Economic Cooperation and Development guidelines for multinational enterprises after being granted the opportunity to clarify their respective positions and activities in the Democratic Republic of the Congo.

South Africa, however, remains disappointed with some aspects of the final report presented to the Security Council by the Chairperson of the Panel of Experts, Ambassador Mahmoud Kassem, on 30 October 2003. In this context, we would like to address some of the specific issues that have been raised by the Panel with regard to South African-based companies.

In its final report, under category IV, the Panel lists a number of cases that remain unresolved. These include cases that have been referred to the relevant Governments for further investigation or cases about which Governments have asked the Panel for information so that they can conduct their own enquiries. The following South African companies and individuals are listed in this category:

> AH Pong and Sons; African Trading Corporation; Mercantile CC; Orion Mining Inc.; Swanepoel; Saracen Uganda/Heckie Horn (South Africa and Uganda).

The report states that no complaint has been received on these South African companies and instead that they were included in the report as a result of an enquiry by the South African Government. In this regard, South Africa wishes to place on

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record that its enquiry into the alleged activities of the above-mentioned companies was as a result of the publication of these names by the Panel of Experts in its final report of 16 October 2002. The allegations, therefore, emanated from the Panel itself and not from the South African Government. However, despite several formal requests to the Panel, no substantiating evidence on the activities of any of these entities has ever been provided to the South African Government.

In terms of category V, it should also be noted that South Africa has never been approached by the Panel regarding an entity by the name of Huber Chris. No information related to its business activities or conduct has ever been shared with the South African Government, nor was this entity ever the subject of an enquiry addressed to the South African Government by the Panel.

The South African Government therefore wishes, once again, to reiterate its willingness to investigate allegations against South African-owned or -based entities and individuals based on credible information. Any such information at the disposal of the Council or any of its subsidiary bodies should, however, be shared with the relevant Government authorities to enable them to take the necessary steps against all individuals and entities that may be involved in illegal activities.

It is our hope that the Council will take these concerns into account in its consideration of the final report. We suggest that the Council provide clear and specific guidelines on the functioning, approach and operating standards of any future mechanism it may decide to establish with regard to the Democratic Republic of the Congo or elsewhere.

It would be appreciated if the present letter could be circulated as a document of the Security Council.

(*Signed*) Dumisani S. **Kumalo**
Ambassador
Permanent Representative of the Republic of South Africa